

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PURCHASED GAS ADJUSTMENT)	
FILING OF ELAM UTILITY COMPANY)	CASE NO. 2006-00302

O R D E R

On October 24, 2003, in Case No. 2003-00171, the Commission approved rates for Elam Utility Company ("Elam") and provided for their further adjustment on a quarterly basis in accordance with Elam's gas cost adjustment ("GCA") clause.¹ On June 15, 2006, Elam filed its gas cost adjustment ("GCA") to be effective July 1, 2006.

The Commission finds that further investigation is necessary to determine the reasonableness of Elam's proposed GCA of \$10.6553, and that such investigation cannot be concluded prior to July 1, 2006. Due to the negative gas imbalance situation that Elam has incurred with Columbia Gas Transmission ("CGT") insufficient information exists to accurately calculate Elam's GCA at this time. Elam and CGT have agreed to meet to resolve the imbalance. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the revised tariff for 5 months up to and including November 30, 2006.

IT IS THEREFORE ORDERED that:

1. The proposed rates are hereby suspended for 5 months from July 1, 2006 up to and including November 30, 2006.

¹ Case No. 2003-00171, A Review of the Rates of Elam Utility Company, Inc. Pursuant to the Decision to Approve the Financing Requested in Case No. 2001-00234, Order dates October 24, 2003.

2. Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.

Done at Frankfort, Kentucky, this 27th day of June, 2006.

By the Commission

ATTEST:


Executive Director